

Ferry Tariff Policy Committee Update

Presentation to the Transportation Commission

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History of the Tariff Policy Committee

1991			• Committee initiated in 1991
1992	Tariff Review Phase I	Implemented September 1992 & October 1993	
1993			
1994	Tariff Review Phase II	Implemented May & October 1994	• The Committee has always had a representative mix of policymakers, ferry riders and other constituent groups
1995			
1996	Tariff Review Phase III	Implemented October 1996	
1997	Tariff Review Phase IV	Implemented May 1998	
1998	Tariff Review 1998-99	Implemented May 1999	
1999			
2000	Tariff Review 1999-01	Implemented May 2001	
2001	Tariff Review 2001-02	Implemented May 2002	• The Committee has moved to a biennial cycle, generally meeting for 5 or 6 times every other fall
2002			
2003	Tariff Review 2002-03	Implemented May 2003 & May 2004	
2004			
2005	Tariff Review 2004-05	To be Implemented May 2005 & May 2006	
2006			

Tariff Policy Committee Charge

Objective: Committee is charged by the Transportation Commission to work with WSF and to evaluate WSF revenue requirements and make policy recommendations regarding both the structure and the amount of ferry fares.

The Committee considers fares based on the general legislative guidance found in RCW 47.60.326 – the Department ... may consider any of the following factors:

- Amount of subsidy available.
- Time and distance of ferry runs.
- Maintenance and operation costs, with proper adjustment for higher cost of outmoded or less efficient equipment.
- Distribution of traffic between cross-sound routes.
- Desire for reasonable commutation rates.
- Effect of increasing walk-on and other passenger use.
- Promoting ferry use during non-peak periods.
- Any other factors that prudent managers would consider.

Tariff Policy Committee Membership

TPC membership is established in Commission Resolution No. 593. The Commission will appoint the Chair of the Tariff Policy Committee and delegates the appointment of TPC member to the Committee Chair, subject to approval by the Commission, provided that the Committee include:

- Four legislature, two each appointed by the House Transportation Committee and the Senate Transportation Committee.
- A maximum of seven members of the ferry advisory committees
- Four transit representatives
- One representative from each of: non-motorized interests; WSF employee unions; and WSF staff

Policy Principles

Overall Committee Goal: On a systemwide basis, to balance the objectives of tariff simplicity, fare equity, revenue adequacy and transportation demand management.

The following policy principles have been incorporated:

- **CUBE policy.** Vehicles pay in proportion to the volume of space that they use. A standard vehicle is defined as less than 20-feet in length, 7'6" in height and 8'6" wide.
- **Tariff Route Equity.** Fares among routes are determined based on the proportional length of the route. There are three exceptions to this rule:
 - Where multiple routes serve the same market, fares are equalized to balance travel across the travel shed.
 - International routes consider market conditions and competitor prices rather than length of route.
 - Passenger-only tied to Central Sound plus an additional surcharge.
- **Peak season surcharge.** To account for the higher demand in summer, a peak season surcharge is added to all cash vehicle fares.
- **Frequent user discount program.** To address the desire for reasonable commutation rates, a frequent user program is designed to reward the most frequent users with the best per trip price.

Tariff Review 2004-05 Issues

The following are the key issues that TPC is addressing in this cycle:

- **Raise revenue per Commission budget request.** Design a package of recommendations that will generate an additional \$5 million in FY2006 and \$10 million in FY2007.
- **Implementation of new fare collection system.** A number of tariff issues have arisen out of the needs of the design and coming implementation of the new electronic fare collection system (EFS).
- **Frequent user discount program.** The new EFS will eliminate the coupon books and so a replacement program is being designed to take advantage of the capabilities of the new system.
- **Commercial account program.** EFS provides an opportunity to restructure the commercial account program and to develop a pilot program for testing time of day and day of week pricing.
- **Incentives for electronic fare purchase.** Encourage customers to purchase fare media via the web or at kiosks in terminals.

Tariff Review 2004-05 Schedule

<u>Date</u>	<u>Action</u>
September 14, 2004	Tariff Policy Committee Meeting # 1
October 28, 2004	Tariff Policy Committee Meeting # 2
November 16, 2004	Tariff Policy Committee Meeting #3
December 8, 2004	Tariff Policy Committee Meeting #4
December 14 or 15, 2004	Transportation Commission – Permission to File CR 101
No later than December 22, 2004	File CR – 101
January 18 or 19, 2005	Proposal Presentation to Commission
Feb. 4 – Feb. 16, 2005	File CR – 102
Late February/Early March 2005	Public Outreach on Tariff Proposal
March 22 – March 31, 2005	Commission Hearing on Proposal
No later than March 31, 2005	File CR – 103
May 1, 2005	Implement 2005 Tariff
May 1, 2006	Implement 2006 Tariff